



General Assembly

Substitute Bill No. 6791

January Session, 2001

AN ACT CONCERNING EMPLOYER-ASSISTED HOUSING.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 12-217p of the general statutes is repealed and the following
2 is substituted in lieu thereof:

3 (a) As used in this section, "business firm" means any business
4 entity authorized to do business in this state and subject to the
5 corporation business tax imposed under this chapter, or any company
6 subject to a tax imposed under chapter 207, any air carrier subject to
7 the air carriers tax imposed under chapter 209, or any railroad
8 company subject to the railroad companies tax imposed under chapter
9 210, or any regulated telecommunications service, express, telegraph,
10 cable or community antenna television company subject to the
11 regulated telecommunications service, express, telegraph, cable and
12 community antenna television companies tax imposed under chapter
13 211, or any utility company subject to the utility companies tax
14 imposed under chapter 212.

15 (b) There shall be allowed as a credit against the tax imposed by this
16 chapter or chapter 207, 209, 210, 211 or 212 in any income year an
17 amount equal to the amount paid during such income year by a
18 business firm into a revolving loan fund established to provide loans
19 for housing located in the state for low and moderate income
20 employees of the business firm or any subsidiary thereof. Employees

21 of municipal, nonprofit corporations and small businesses may also
22 access such loan fund. Loans from any such fund shall be spent in this
23 state and used for (1) the cost of housing that is to be a principal
24 residence and falls within one hundred fifty per cent of the price
25 guidelines established for programs administered by the Connecticut
26 Housing Finance Authority, including costs for down payments,
27 mortgage interest rate buy-downs, closing costs and other costs
28 determined to be eligible under written procedures adopted by the
29 Connecticut Housing Finance Authority under subsection (c) of this
30 section and (2) payments for security deposits and advance payments
31 for rental housing.

32 (c) The Connecticut Housing Finance Authority shall adopt written
33 procedures in accordance with the provisions of section 1-121 for
34 establishment and operation of employer revolving loan funds eligible
35 for the credit provided in this section. Such procedures shall (1)
36 include provisions for employee eligibility, [and shall] (2) specify
37 expenses for which loans may be made, [and] (3) establish a
38 mechanism for administering distribution of loans to employees of
39 municipalities, nonprofit corporations and small businesses, and for
40 allocating the credits corresponding to such loans, and (4) provide the
41 documentation and procedures necessary for a business firm to qualify
42 for the tax credit.

43 (d) Any business firm claiming the credit allowed by this section
44 shall submit documentation to the Commissioner of Revenue Services
45 that the revolving loan fund complies with written procedures for
46 revolving loan funds established by the Connecticut Housing Finance
47 Authority under subsection (c) of this section.

48 (e) Nothing in this section shall be construed to prevent two or more
49 business firms from participating jointly in one or more programs
50 under the provisions of this section. Such joint programs shall be
51 submitted, and acted upon, as a single program by the business firms
52 involved.

53 (f) Any business firm which desires to apply for the credit allowed
54 by this section shall submit the documentation required under
55 subsection (d) of this section to the authority on or before November
56 first of each year. The authority shall randomly select from among all
57 qualified business firms, those firms allowed said credit. The credit
58 shall be claimed on the tax return for the income year during which the
59 selected business firm made payment into the revolving loan fund. The
60 sum of all tax credit granted pursuant to the provisions of this section
61 shall not exceed [one] five hundred thousand dollars annually per
62 business firm, of which not more than two hundred fifty thousand
63 dollars annually may be restricted to employees of the business firm.
64 In no event shall the total amount of all tax credits allowed to all
65 business firms pursuant to the provisions of this section exceed [one]
66 three million dollars in any one fiscal year.

67 (g) No tax credit shall be granted to any bank, bank and trust
68 company, insurance company, trust company, national bank, savings
69 association, or building and loan association or any other business
70 entity for activities that are a part of its normal course of business.

71 (h) (1) Any tax credit not used in the period during which the
72 investment was made may be carried forward or backward for the five
73 immediately succeeding or preceding income years until the full credit
74 has been allowed. For income years commencing on or after January 1,
75 1998, if the Connecticut Housing Finance Authority determines that
76 (A) sixty per cent or more of a revolving loan fund has not been loaned
77 as provided in this section by a business firm on or before the date that
78 is three years after the date that a revolving loan fund is established
79 pursuant to this section by such business firm, and (B) such business
80 firm has taken the tax credit under this section on a tax return filed on
81 or after January 1, 1997, the authority shall notify such firm and the
82 commissioner that the authority has determined that sixty per cent or
83 more of the fund has not been loaned as provided in this section, and
84 such firm shall [be required to recapture the credits previously granted
85 under this section] repay the amount of any such credit, to the extent
86 provided for in written procedures of the authority adopted under

87 section 1-121, on the first tax return required to be filed on or after the
88 date of such notice for a tax imposed by this chapter or chapter 207,
89 209, 210, 210a or 212. If any amount of such recaptured credit has not
90 been paid to the commissioner on or before the due date of such
91 return, such amount shall bear interest at the rate of one per cent per
92 month or fraction thereof from such due date to the date of payment.

93 (2) The provisions of subdivision (1) of this subsection shall not
94 apply to any business firm that has loaned one hundred per cent of the
95 original amount in the revolving loan fund not more than six years
96 after the date that such loan fund was established.

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